

DD System Reform Act: Strengthening Integrity, Accountability, and Sustainability

Section 1. Legislative Findings and Intent

The General Assembly finds that Ohio’s developmental disability system serves a growing population with increasingly complex needs and that access to services, workforce stability, provider capacity, and fiscal sustainability vary significantly across the state.

The General Assembly further finds that fragmented oversight practices, disproportionate administrative burden, insufficient front-end screening of providers, and limited publicly accessible systemwide data impair the state’s ability to prevent fraud, waste, and abuse while ensuring timely access to high-quality services.

It is the intent of the General Assembly to:

1. Take immediate action to strengthen program integrity and accountability;
2. Align oversight resources with actual risk, utilization, and cost drivers;
3. Reduce unnecessary administrative burden and cost to the state;
4. Modernize payment, service delivery, and system infrastructure using data-driven pilots;
5. Improve transparency related to enrollment, access, utilization, cost, and local fiscal participation;
6. Ensure that efficiencies and savings are reinvested to strengthen workforce stability, service access, and long-term sustainability.

ARTICLE I — IMMEDIATE ACTIONS TO STRENGTHEN PROGRAM INTEGRITY AND ACCOUNTABILITY

Section 2. Compliance and Enforcement Reform

(A) Definition

As used in this section, “philosophical citation” means a compliance finding, deficiency, or citation that is based on subjective interpretation, preference, guidance, policy statement, informal expectation, or practice standard that is not expressly required by statute or by a duly adopted administrative rule.

(B) Immediate Compliance Practice Changes

Notwithstanding any other provision of law, the Department of Developmental Disabilities shall immediately modify compliance and certification practices to do all of the following:

1. Limit citations to violations of express statutory or administrative rule requirements and refrain from issuing philosophical citations;

2. Permit on-site correction and technical assistance for non-systemic, non-repetitive issues that can be corrected at the time of review and document such corrections without requiring a written plan of correction;
3. Refrain from requiring a written plan of correction for isolated, one-time, or issues that do not pose an immediate threat to health or safety and that are corrected on-site or within a timeframe specified by the Department;
4. Prioritize education, technical assistance, and corrective guidance over formal enforcement actions for first-time or low-risk compliance issues;
5. Ensure enforcement actions and corrective requirements are proportionate to the risk, scope, severity, and frequency of the identified issue;
6. Issue written guidance and provide training to compliance and certification staff regarding the requirements of this section.

Section 3. Risk-Based Monitoring and Oversight

The Department of Developmental Disabilities shall implement a risk-based monitoring framework that:

1. Differentiates oversight intensity based on provider risk, utilization, compliance history, and scope of services;
2. Reduces routine monitoring and documentation requirements for low-risk, high-performing providers;
3. Prioritizes oversight resources toward higher-risk providers, services, or utilization patterns;
4. Aligns monitoring practices with fraud, waste, and abuse prevention objectives.

Section 4. Independent Provider Program Integrity and Enrollment Reform

(A) Readiness and Enrollment Requirements

Notwithstanding any other provision of law, the Department of Developmental Disabilities shall implement front-end readiness and enrollment requirements for independent providers, including all of the following:

1. A readiness review prior to enrollment or re-enrollment, which may include verification of required training, service capacity, and understanding of compliance obligations;
2. Enrollment or activation tied to an identified individual with a demonstrated service need, rather than unrestricted open enrollment;
3. Association with a financial management service or other designated administrative support entity, as determined by the Department, to support billing integrity, compliance, and administrative efficiency;
4. Application of risk-based criteria to determine the level of post-enrollment monitoring and technical assistance.

(B) Purpose

The Department shall implement this section in a manner that:

1. Reduces fraud, waste, and abuse risk through front-end screening;
2. Aligns oversight with actual utilization and risk;
3. Reduces administrative burden and cost to the state;
4. Preserves continuity of care and individual choice.

Section 5. Direct Support Professional Registry and Workforce Portability

(A) Registry Information System

The Director of the Department of Developmental Disabilities shall contract with a third-party entity to develop and maintain a statewide registry information system for direct service professionals and other designated workforce roles providing services to individuals with developmental disabilities.

The registry information system shall, on an ongoing basis:

1. Maintain workforce records, including employment history within the developmental disabilities system;
2. Provide access to training and professional development opportunities;
3. Track completion of required training and credentials;
4. Facilitate verification of required background check status;
5. Support workforce portability by allowing records to transfer between employers, financial management services, and service delivery models, as permitted by law;
6. Reduce duplicative onboarding and administrative requirements.

(B) Authorized Use

The Department, county boards, providers, and financial management services may use registry information, as permitted by law, to verify eligibility, reduce duplicative documentation, and support workforce stability and quality improvement.

(C) Implementation

The Director may phase implementation by workforce role, service type, or geographic area.

Section 6. Developmental Disabilities System Transparency Dashboard

(A) Required Dashboard

The Departments of Developmental Disabilities and Medicaid shall jointly develop and maintain a publicly available developmental disabilities system dashboard, updated on a regular basis using existing data sources.

(B) Population and Enrollment Information

The dashboard shall include, at minimum, quarterly and annual enrollment information, delineated by:

1. Home- and community-based services waivers, including OhioRISE;
2. Intermediate care facilities for individuals with intellectual disabilities;
3. Self-directed services;
4. Individuals on waiting lists;
5. Age categories;
6. Co-occurring mental or behavioral health conditions and intellectual/developmental disabilities;
7. Autism diagnosis.

(C) Service Utilization and Access Measures

The dashboard shall include indicators of:

1. Utilization by major service category;
2. Geographic variation in access;
3. Measures of unmet need, where available;
4. Average time from authorization to service initiation, where feasible.

(D) Provider Network and Capacity Indicators

Including:

1. Number of providers by service type;
2. Changes in provider enrollment over time;
3. Geographic distribution of providers.

(E) Workforce Indicators

Including, to the extent available:

1. Workforce counts;
2. Participation across service types;
3. Average wages as reported in the DSP Compensation Survey;
4. Turnover as reported in DSP Compensation Survey;

5. Direct Service Professionals receiving Competency-Based Training and Longevity Add-On.

(F) Oversight and Program Integrity Indicators

Including:

1. Number and type of compliance reviews;
2. Number and type of citations, delineated by section or category (i.e., administration and operation, personnel).

(G) Expenditure and Cost Information

Including:

1. Aggregate Medicaid expenditures by major service category;
2. Trends over time;
3. Aggregate per-person or per-service cost indicators, where feasible.

(H) County Board Funding and Fiscal Participation

Including, to the extent available:

1. County board contributions toward Medicaid-funded services, including local match, hardship adjustments, and stop-loss protections;
2. Proportion of services funded by state/federal Medicaid dollars versus county board funds;
3. Use of state-funded services administered by county boards;
4. Aggregate indicators of county-level fiscal capacity or burden;
5. Aggregate trends in county board expenditures.

Nothing in this division shall be construed to alter county board levy authority or local funding responsibilities.

(I) Waiver Enrollment, Utilization, and Cost Indicators

Including:

1. Enrollment by waiver type, including active enrollment, new enrollment, and individuals awaiting enrollment or services by county;
2. Trends in new waiver enrollments over time and by county, where feasible;
3. Average and median expenditures per enrolled individual by waiver type by county;
4. Distribution of per-person expenditures by county, where feasible;

Nothing in this division shall be construed to establish enrollment caps, alter eligibility criteria, or require the collection of data not otherwise required by law.

(J) Limitations

Nothing in this section shall be construed to require the collection of data not otherwise required by state or federal law.

This section may require the development or modification of reporting tools, dashboards, or data presentations necessary to compile and display information derived from existing data sources.

ARTICLE II — SYSTEM MODERNIZATION AND LONG-TERM SUSTAINABILITY

Section 7. Statewide Needs, Capacity, and Sustainability Assessment

(A) Purpose

The purpose of the statewide assessment required under this section is to ensure that Ohio's developmental disabilities system:

1. Is meeting the current and projected needs of individuals with developmental disabilities;
2. Maintains a sufficient and appropriate continuum of care, including home- and community-based services and facility-based services;
3. Has adequate provider capacity and workforce stability to meet demand across geographic regions and populations;
4. Is financially sustainable over time for the state, county boards, providers, and individuals served;
5. Is positioned to plan for future demographic, acuity, and service delivery changes.

(B) Assessment Requirements

The Departments of Developmental Disabilities and Medicaid shall jointly conduct and publish a statewide needs, capacity, and sustainability assessment that examines, at a minimum, all of the following:

1. Population needs and acuity trends, including projected growth and changes in service needs;
2. Service utilization patterns, including use of home- and community-based services, intermediate care facilities, and other major service categories;
3. Provider network capacity, including availability of residential, day, employment, clinical, and specialty services;

4. Facility-based capacity, including existing bed capacity, occupancy trends, and projected need for specialized or high-acuity services;
5. Workforce availability and stability, including recruitment, retention, and geographic variation;
6. Access gaps and service constraints, including regional or population-specific challenges;
7. Aggregate expenditure and cost patterns, including trends that may affect long-term sustainability.

(C) Use of Findings

The assessment shall be used to inform:

1. Identification of gaps in the continuum of care or service capacity;
2. Planning for future service delivery models, payment approaches, or system reforms;
3. Recommendations included in the action and sustainability report required under Section 10 of this act.

(D) Timeline

The assessment required under this section shall be completed and published not later than one hundred eighty days after the effective date of this section.

Section 8. Modernization Pilot Initiatives

The Department of Developmental Disabilities shall implement three time-limited pilot initiatives to test approaches that improve access, quality, workforce stability, administrative efficiency, and long-term sustainability of the developmental disabilities system.

(A) Pilot Initiatives

The pilot initiatives shall include all of the following:

1. Small Provider Administrative Backbone Pilot — testing provider hub or shared administrative models that support small providers through centralized billing, compliance, training, quality, or operational infrastructure;
2. Alternative Payment Model Pilot — testing targeted or enhanced payment rates based on provider qualifications, geographic location, population served, service complexity, or participation in coordination or infrastructure models, using federally authorized mechanisms;

3. Self-Direction Expansion Pilot — testing approaches to reduce administrative barriers, expand flexible service delivery options, and support greater individual choice and control.

(B) Pilot Design and Safeguards

Each pilot implemented under this section shall:

1. Be voluntary for participating providers and individuals, unless otherwise required by federal law;
2. Be limited in duration, with a defined start date and end date;
3. Include clearly defined goals and evaluation measures, which may include access, quality, workforce stability, administrative efficiency, individual experience, or cost indicators;
4. Include continuity-of-care protections for individuals receiving services;
5. Be implemented in a manner that does not reduce access to medically necessary services.

(C) Reporting

The Department shall include a summary of pilot design, participation, outcomes, and lessons learned in the action and sustainability report required under Section 10 of this act.

Section 9. Quality Improvement Project — Acute Care Services

(A) Purpose

The purpose of the Quality Improvement Project required under this section is to determine whether the delivery of acute care services to individuals who are aged, blind, or disabled under different Medicaid delivery systems results in differences in:

1. Quality of care and health outcomes;
2. Care coordination and continuity;
3. Utilization of emergency and inpatient services;
4. Total Medicaid cost and cost growth over time.

(B) Initiation of Quality Improvement Project

Not later than six months after the effective date of this section, the Department of Medicaid shall initiate a Quality Improvement Project, consistent with the department's quality improvement authority, to evaluate acute care services provided to individuals who are aged, blind, or disabled under:

1. Fee-for-service Medicaid; and
2. Managed care.

(C) Scope of Evaluation

The Quality Improvement Project shall, to the extent feasible, include comparisons of:

1. Total Medicaid expenditures for acute care services;
2. Emergency department utilization and inpatient hospitalization rates;
3. Potentially preventable hospital admissions;
4. Use of primary and preventive care;
5. Care coordination and continuity;
6. Health outcomes and enrollee experience indicators, where available;
7. Administrative costs associated with each delivery system.

(D) Reporting

Not later than eighteen months after initiation of the Quality Improvement Project, the Department shall submit a report to the General Assembly that includes:

1. A summary of findings regarding quality, access, utilization, and cost;
2. Identification of factors associated with improved outcomes or cost efficiency;
3. An analysis of potential policy options informed by the findings, including advantages, limitations, and implementation considerations related to different acute care delivery models for the aged, blind, and disabled population.

(E) Limitations

Nothing in this section shall be construed to:

1. Mandate enrollment of any population into managed care;
2. Alter eligibility for Medicaid benefits;
3. Apply to long-term services and supports.

Section 10. Action and Sustainability Report

Not later than sixty days after completion of the statewide needs, capacity, and sustainability assessment required under Section 7 of this act, the Departments of Developmental Disabilities and Medicaid shall jointly submit to the General Assembly an initial action and sustainability report.

(B) Required Contents

The initial report shall include, at a minimum:

1. Findings from the statewide assessment;
2. Identification of access gaps, capacity constraints, and sustainability challenges;
3. Actions already taken or underway to address identified issues;
4. Recommended near-term actions within existing statutory authority;
5. Identification of statutory, regulatory, or waiver changes needed to support long-term system stability;
6. A description of the design, scope, and implementation status of pilot initiatives established under Section 8 of this act.

(C) Subsequent Reporting on Pilot Outcomes

Not later than eighteen months after implementation of the pilot initiatives under Section 8 of this act, the Departments shall submit a supplemental report summarizing pilot participation, outcomes, lessons learned, and recommendations regarding continuation, expansion, modification, or termination of such initiatives.

(D) No Limitation on Interim Action

Nothing in this section shall be construed to prevent or delay the Departments from implementing administrative, operational, or policy changes prior to submission of either report, to the extent otherwise authorized by law.

Section 11. Reinvestment of Identified Savings

To the extent that efficiencies, cost savings, or cost avoidance are identified through actions under this act, the Departments shall prioritize reinvestment in:

1. Workforce stabilization and compensation;
2. Service capacity and access;
3. Quality improvement initiatives;
4. Administrative modernization and data infrastructure.

Nothing in this section shall be construed to require a specific appropriation or limit legislative budget authority.

Section 12. Rulemaking Authority

The Department of Developmental Disabilities may adopt rules under Chapter 119 of the Revised Code as necessary to implement this act.